



**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**  
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May 3, 2011

**ADDENDUM 5**  
**TO**  
**REQUEST FOR PROPOSALS**  
**No. 11-01**

**TO FURNISH MEDICAL BENEFITS**

**Question: Who is responsible for COBRA administration?**

**Response:** It is expected that proposers will comply with the process outlined below.

COBRA Process Flow:

EUTF prepares initial notification to COBRA beneficiary and includes rates and timeline in communication.

EUTF receives initial response from COBRA beneficiary and notifies Carrier of COBRA effective dates via fax transmittal

Carrier invoices COBRA beneficiary monthly and collects premium directly from COBRA beneficiary

COBRA beneficiary notifies CARRIER of any 2nd qualifying event (if applicable)

COBRA Continuation Coverage terminates when COBRA beneficiary fails to pay premiums

Carrier notifies COBRA beneficiary of any rates increases and Open Enrollment periods; and provides proof of notification to EUTF

Carrier provides EUTF a monthly (for the previous calendar month) list of active COBRA participants

Carrier provides EUTF a monthly (for the previous calendar month) list of terminated COBRA participants

COBRA process for billing:

Carriers send invoice/bill to employee

Employee sends payment to carrier

For the fully insured carriers, COBRA premiums are added to the premium income. Carriers keep the 2% administrative fee

For the self insured carriers, COBRA premiums are adjusted against our claims payments to the carriers. Carriers keep the 2% administrative fee

**Question:** The RFP is not clear on when documents to show that the proposer meets all requirements for doing business in the State of Hawaii is to be turned in. This includes a tax clearance, Certificate of Compliance issued by the Hawaii State Dept. of Labor and Industrial Relations, Certificate of Good Standing issued by the Hawaii State Dept. of Commerce and Consumer Affairs, and a Certificate of Insurance. Can this be clarified?

**Response:** These documents are not required to be submitted with proposals – they are required upon *award of a contract*.